CHILE

A Guide for Canadian Exporters

Publié également en français

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January 1983

External Affairs Canada   Affaires extérieures Canada

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I. THE COUNTRY

Area and Geography

Chile is a long, narrow ribbon of land stretching almost 4,320 km (2,700 miles) along the southern west coast of South America. Although one of the longest countries in the world, it is only 96 to 400 km (60 and 250 miles) wide. Chile is wedged between the Andes on the east and the Pacific Ocean on the west; it borders Peru on the north, and Bolivia and Argentina on the east. Southern Chile is an archipelago with Cape Horn at its tip. Here the Atlantic and Pacific Oceans meet.

Chile has four distinct and well-defined geographic regions: the northern desert (one-fourth of the country's land area), the high Andean sector, the central valley, and the southern lake district and archipelago. In order to decentralize the administration of existing and potential natural resources, the country has been divided into 12 regions and a metropolitan area which includes the capital, Santiago, and its surroundings.

The northern part of Chile (Regions I, II, III and IV), which includes some of the most barren desert in the world, is rich in mineral deposits such as copper and nitrates. The fishing industry is also important in this area of the country. The central valley (Regions V to X) has the largest population and contains most industrial and agricultural development. Due to the climatic conditions, forestry is of considerable importance in this area. The far south of Chile (Regions XI and XII) which includes Tierra del Fuego, the largest island in the southern archipelago, is mostly dedicated to cattle and sheep raising. The area produces natural gas and supplies about 30 per cent of the oil consumption of Chile.

Climate

Chile has a generally mild climate. In the far north, summers are warm and winters are very mild; in the lake region, it is cooler with more rainfall; in the far south (Tierra del Fuego), summers are short and cool, winters are long, cold and wet. The combined effect

of the cold Humboldt Current off the coast of Chile and the relative narrowness of land between the coast and the snow-covered Andean peaks to the east, moderates what might otherwise be a very warm climate. Summer (December–March) in Santiago is long and dry with an average temperature of 28°C. In the rainy season from May to August, the temperature drops to an average of 12°C.

Local Time

Chile is two hours ahead of Canada (Canadian Central Time) during the period of November to mid-March. For the months of April and October, Chile is one hour ahead, and from May to September, Chile has the same time as Canada (Canadian Central Time). These variations in hours are due to differences in Daylight Saving Time periods in both countries.

The People

At the end of 1981 the population of Chile was estimated at 11.3 million. The growth in population is estimated at 1.57 per cent per year. The latest forecasts project a population of 14.9 million in Chile by the year 2000. Eighty-one and a half (81.5) per cent of the total population is urban, with 30.6 per cent living in greater Santiago. Fifty-two (52) per cent are concentrated in the central regions of Valparaiso, Santiago and Concepción.

Principal Cities

Santiago, the capital and the largest city of Chile, has 3.4 million inhabitants. It is the commercial centre of the country.

Other major cities include:

	Population
Valparaiso	500,000
Concepción	170,000
Temuco	110,000
Antofagasta	110,000

Seaports

The principal seaports of Chile are Arica, Iquique, Antofagasta, Valparaiso, San Antonio, Talcahuano/San Vincente (Concepción), Puerto Montt and Punta Arenas.

Language

The official language of Chile is Spanish. Many Chilean businessmen, however, speak or understand English. Interpretation and translation services in Santiago are available through various agencies and in major hotels. The Canadian Embassy can also direct you to competent interpretation and translation services.

Religion

Chile is predominantly Roman Catholic. The Catholic Church is influential at all levels of society. Religious freedoms however, is guaranteed by the constitution.

Weights, Measures and Electricity

The metric system is used in Chile. The electricity supply for domestic use is 220 volts, single phase, 50 cycles AC. For industrial purposes, the supply is 380 volts, three phases, four wire, 50 cycles AC. Domestic plug fittings are generally the two-pin type.

Holidays

The following is a list of official public holidays in Chile:

New Year's Day — *January 1*
Good Friday — *Variable*
Labour Day — *May 1*
Navy Day — *May 21*
Assumption — *August 15*
Independence Day — *September 18*
Army Day — *September 19*
Columbus Day — *October 12*
All Saints Day — *November 1*
Immaculate Conception — *December 8*
Christmas Day — *December 25*

January and February, the height of the Chilean summer, are the favourite vacation months and are not a good time for a business visit. Appointments may also be difficult to obtain during the weeks of Christmas, of New Year's, of Easter and of Independence Day.

Note: In 1983, Canadian Embassy holidays differ from the above on the following dates: January 3 (New

Year's Day); February 14 (local holiday); March 14 (local holiday); July 1 (Canada Day); November 11 (Remembrance Day); and December 26 (Boxing Day).

Business Hours

In general, office hours are from 8:30 or 9:00 a.m. to 5:30 or 6:00 p.m. from Monday to Friday. Banks are open Monday to Friday from 9:00 a.m. to 2:00 p.m. Government offices are open Monday to Friday from 9:00 a.m. to 6:00 p.m. and generally from 8:30 or 9:00 a.m. to 1:00 p.m. on Saturday. Retail stores are open from 10:30 a.m. to 6:45 p.m. Monday through Thursday, and from 10:30 a.m. to 7:45 p.m. on Friday. Saturday retail hours are 9:00 a.m. to 1:00 p.m.

Constitution and Government

Chile is ruled by a military government headed by President Augusto Pinochet Ugarte. A new constitution adopted by plebicite in 1980 confirms the present government's mandate until March 1989 when elections are to be held. The constitution also provides for an eight-year, non-renewable term for the President of the Republic, a bicameral congress (to function from 1989) and an independent judiciary and central bank.

History

The central portion of modern Chile originally was the territory of the Araucanian Indians and was not permanently settled by the Spaniards until 1540 under Pedro de Valdivia. (An initial attempt in 1535 was repulsed by the Indians.) On February 12, 1541, Valdivia established a settlement which he called Santiago on the spot where he had defeated an Araucanian force. Indians of this same tribe captured and tortured him to death 14 years later. In spite of repeated attempts, the settlers could not conquer the Araucanians until 1877 when, by treaty, Chile incorporated them along with their land into the Republic.

In 1810, led by General Bernardo O'Higgins, the son of a Spanish Viceroy to Peru, and aided by General San Martin of Argentina, Chile revolted against Spanish rule and proclaimed its independence. Spain battled intermittently against the revolutionaries until 1818, when Chile was declared an independent republic under O'Higgins. It was not officially recognized as

an independent country by Spain until 1844.

Between 1838 and 1886, Chile fought and won three wars, namely, the conflicts of 1838-1839 and 1879-1883 against the Peru and Bolivia Confederation (in the latter, Chile acquired its northern nitrate and copper-rich provinces), and the war of 1886 when it joined Peru in a naval battle against the Spanish fleet.

Since World War I, Chile's political and economic fortunes have varied. Its economy was adversely affected by the discovery of synthetic nitrates after World War I but has been bolstered since World War II by a demand for copper and iron. Mining and agriculture are major contributors to the economy. Copper alone accounts for more than 45 per cent of export earnings. An extensive, if fragile, secondary manufacturing sector has developed. Current economic policy, however, permits the importation of an increasing number of consumer products with a minimum of tariffs.

II. ECONOMY AND FOREIGN TRADE

Economy

The transformation of the Chilean economy from the verge of brankruptcy when the military took power in 1974 to one of the fastest growing economies in South America has been attributed largely to the freeing of market forces, including the introduction of a uniform tariff of 10 per cent. This appears to have worked well for Chile until 1981. During the latter half of 1981, the Chilean economy entered a recessionary period which continued and worsened in 1982. Yet, in 1981 when zero or negative growth rates were common, Chile's Gross Domestic Product (GDP) grew by 5.2 per cent (to U.S. $28 billion) and the rate of inflation was 9.5 per cent (down from 31.2 per cent in 1980). Economic growth is down sharply and inflation and unemployment levels are up, this year. Some of the negative factors that have caused the downturn in the Chilean economy include high interest rates (which halted the boom in the construction industry), continuing depressed copper prices, and the general decline in world demand for copper, lumber and fishmeal. Preliminary figures for 1982 are disturbing. They indicate a decline of 13 per cent in GDP growth. Recently, this economic malaise overflowed into the political and social spheres giving rise to Cabinet changes and labour unrest.

During the first part of 1982, Chile's exports held steady despite weak markets for the country's mineral and industrial products. At the same time, imports have shown consistent declines, and the country's balance of trade, therefore, is approaching equilibrium. This contrasts sharply with comparable 1981 data, when Chile's balance of trade was headed towards a large deficit.

Chile faces a significant challenge in the size of its external debt, which stood at about $17 billion at the end of 1982. This relatively high level of indebtedness has reduced international confidence and has caused the international financial community to view Chile somewhat more cautiously. A rescheduling of Chile's debt is likely in 1983.

The current government policy is based on the 1979-1984 economic plan which proposes that the Chilean economy be as open as possible to world trade and world prices with virtually no tariff protection of inefficient sectors. The planners are confident that Chilean resources of minerals, forestry and agriculture, are intrinsically strong enough to capture an increasing share of world markets, while natural advantage will attract substantial long-term foreign investment into privately owned infrastructure services and mining. This formula, they believe, will lead to substantial growth rates in the period of international recession.

Mining

Chile's greatest wealth lies in its mineral resources. This sector provides about 60 to 65 per cent of Chile's commodity export earnings. It is estimated that Chile has one quarter (111 million tons) of the world's copper reserves and is now the second largest producer in the western world. Other minerals mined in Chile include iron ore, sodium sulphate, lead, manganese, molybdenum and zinc.

About 85 per cent of copper production comes from the large government-owned mines run by Codelco (Chilean Copper Corporation). The other 15 per cent is produced by a number of Chilean private companies and multinationals including Exxon's La Disputada (3.6 per cent of total 1981 production) and St. Joe Minerals (Fluor Corporation) El Indio gold-silver-copper projects which began production in 1981.

The government's strategy for mining has been clearly laid out during 1981 and early 1982. The government will retain its ownership of the Codelco's mines but smaller mines and unexploited resources are to be sold to international concerns. The government plans to increase production of high grade copper and expects the international mining sector to contribute substantially to the target of 15 million tons per year by the end of the 1980s. In order to facilitate long term investment in mining, the government passed the Mining Law in January 1982, to take effect upon the publication of a mining code scheduled for June 1982. This code will enable foreign investors to have "real and immovable rights" in mines and deposits purchased from the state. Although private investment

projects totalling about U.S. $5.5 billion are in different stages of development, relatively little investment has taken place so far because of the low price of copper and investor uncertainties about the new mining code. Two mining investments listed as open to foreign investors at the Chilean Investors Forum held in Santiago, October 1982, were a $6.5 million San Rafael project involving the recovery of gold, silver and lead, and a $6 million leaching plant for iron ore.

The strategy now being adopted by the mining sector as a whole emphasizes that copper mining be carried out in tandem with the recovery of such valuable by-products as molybdenum, cobalt, silver and gold. Output of molybdenum has risen in recent years to the point where Chile is now the world's third largest producer, after the U.S. and Canada. The value of molybdenum, however, has been dramatically affected by the general recession. Feasibility studies are now underway on deposits of iron ore, and the exploitation of uranium is under consideration among projects in the mining sector.

To meet the needs of such proposed mining projects, a complete range of machinery and equipment will be required for all mining and refining operations. To take advantage of these opportunities a personal on-site visit to the mining operations should be made as virtually all purchase specifications/recommendations are made there. Only exporters who are willing to commit personnel and financial resources can expect to establish a lucrative long term market position.

Petroleum production increased considerably in 1980 and 1981. Chile's output now accounts for about 45 per cent of domestic consumption as compared with only 20 per cent in 1977. The government intends to promote private investment in the sector and in 1982 will open to international bidding 10 to 12 off-shore blocks for exploration.

Fisheries

As a result of substantial increases in catches in recent years, Chile now has the largest fish harvest in Latin America (up about 16 per cent in volume in 1981 to 3.4 million tons) placing it among the world's five largest fishing nations. The most important species are Spanish sardines, mackerel and saurel. Anchovies

make up 10 per cent of the catch and other varieties include crab and hake. About 40,000 people are employed in the fishing industry which includes canneries and the production of fishmeal. Considerable investment in the fishing industry has taken place in recent years. Since there are very few local manufacturers of fishing gear, most investment expenditure in boats, fish handling and plant equipment is channelled toward foreign purchases.

Forest Industries

Chile's extensive forest reserves rank among the most important in South America. The government, through a range of incentives, plans to have forest products become one of Chile's major exports. The administration has announced substantial tax incentives, grants and immunity from agrarian reform proposals for local or foreign forestry companies, and it is encouraging producers to diversify into finished products.

The incentives are working to attract foreign investors since the sector's expansion is limited by the availability of capital resources. The greatest concentration of plantations lies in the Maule, Bio-Bio, and Araucania regions of the country. About 4 million hectares of native forest are also considered commercially viable. The most common tree planted is the relatively fast growing insignes pine.

Chile offers good opportunities for specialized Canadian forestry consultants since it intends to increase the proportion of finished products and expand the forest plantation areas. There will also be a growing demand for sawmill and other equipment.

Agricultural Industries

Chile's agriculture, despite its fine soil and climatic advantages, has not lived up to its potential over the last 40 years. The central aim of the present government is to increase efficiency in the agricultural sector. To achieve this objective, the government has followed a deliberate policy of switching agricultural production away from cereal crops such as wheat and oats, to fruits, vegetables, sugar beets and livestock. Although Chile is still a net importer of beef, meat production has been rising during the past four years due to successive increases in the cattle herd. About

40 per cent of the rural population still work on tiny, scattered and inefficient farms. This is changing as financial pressures are forcing farmers to purchase and amalgamate small farms into larger more efficient units.

The Chilean climate is well suited to fruit growing, and between 1974 and 1981 the area devoted to fruit production increased by over 45 per cent. It is expected that the biggest growth will be in nectarine, table grapes and apple production. During 1980, the planting of grapes in the Copiapo Valley doubled. The export of grapes has increased rapidly and it is expected that over the next five years the quantity exported could grow more than thirty fold. Chile also produces quality wine and a type of grape brandy, both for home consumption and export.

As farming methods improve and the type of farming changes, the demand for imported farm equipment will grow. There is good potential opportunity for Canadian manufacturers to supply a variety of farm related equipment and services such as specialized crop and livestock machinery, food processing equipment, packaging machinery, breeding livestock and agricultural consulting services.

Oil and Gas

About 56 per cent of Chile's energy requirements are satisfied by petroleum, 12 per cent by natural gas, 10 per cent by coal, 8 per cent by hydroelectricity and the rest by wood. In 1981 about 40 per cent of Chile's oil requirements were met by domestic production and it is hoped that this proportion can be increased to 45 per cent by the end of the decade. In 1959, a state oil company, Empresa Nacional del Petroleo (ENAP), discovered oil on the mainland, north of the Straits of Magellan, and later discovered a gas field. Output doubled between 1959 and 1963 to 35,000 barrels/day and remained at that level until 1972 when oil production began to decline. ENAP intensified its efforts in offshore operations, and this source now provides the bulk of the country's output. The government, together with foreign companies, has also been exploring the possibility of developing the vast gas reserves in the Magellan Straits. To date, however, the plan to build a $380 million LNG plant at Cabo Negro to exploit the gas reserves estimated at 80 billion

cubic metres, has been delayed due to difficulties in finding prospective export customers and consequent financing. As Chile intensifies its efforts in offshore exploration, there should be increasing opportunities for Canadian equipment manufacturers and suppliers to offshore drilling projects.

Electricity

With the demand for electricity growing at an estimated rate of 7 per cent annually, there are strong pressures to bring an additional hydroelectric potential estimated at 1,800 MW per year on stream. ENDESA, a state-owned company which accounts for more than 50 per cent of total hydroelectric power production, is currently constructing the Colbun-Machicura power plant in the Maule region, 260 km south of Santiago. In the first stage, the installed capacity will be 490 MW (a 400-MW plant at Colbun and a 90-MW plant at Machicura). The authorities are considering building a second 400-MW plant at Colbun after the completion of the first stage. Discussions have also been held with foreign bidders about building the Pehuenche hydroelectric complex on a turnkey concessional basis but financing and other factors have delayed this project.

With so many new projects planned in the hydroelectric sector, there should be an increasing demand in Chile for hydromechanical equipment, transformers, transmission equipment and consultants in the hydroelectric field.

Transport and Communications

Despite formidable natural obstacles created by mountains, desert and forests, the transportation system in Chile is reasonably well developed. Chile has the fourth longest network in Latin America, an 11,200 km system consisting of five state-owned networks, including the Trans-Andean and the Arica-La Paz linking Chile to Argentina and Bolivia. The Pan American highway runs north to south and forms the backbone of the country's highway system. Numerous roads branch off this highway to the most important ports and towns. Of some 76,000 km of roads only 9,600 km are paved. In June 1981, the government obtained a loan of $161 million from the IADB to finance part of the reconstruction and resurfacing of

the Pan American highway. The country is served by 60 ports and 30 airports of which six are international airports. The state airline, LAN Chile, and the private airline, Ladeco, dominate air services.

Santiago's first underground subway opened in 1975 and has undergone substantial expansion. The telephone system in Chile requires considerable expansion and modernization in order to serve people in both urban and rural areas. The country has an international telex network, several radio and television stations and a communications satellite ground station.

The transportation and communications sectors offer good opportunities for Canadian companies, particularly in supplying equipment to the railway and subway systems, as well as aircraft and airport equipment. There should also be export opportunities in the telecommunications field to consolidate some of the telephone systems currently in use, and to supply communications equipment to satellite ground stations.

Construction and Consulting Services

The Chilean construction industry is highly developed and looks abroad only on occasions to supplement its expertise. Market opportunities exist for certain specialized Canadian consulting services in the near term as many Chilean firms continue to require medium and long term feasibility studies even though their current operations have been affected by the recession (particularly in the forestry pulp and paper sector). Canadian consulting firms should continue promoting their services, particularly in mining, forestry, airport and port facilities.

Foreign Investment

Chile has some of the most liberal foreign investment laws in Latin America and it is the government's intention to return a large percentage of state holdings in industry and banking to private enterprise. Some of the key steps in investing in Chile are as follows.

The Comite de Inversiones Extranjeros (CIE) negotiates a separate contract with each foreign investor. Investments of less than U.S. $5 million which are not

related to state-controlled sectors, public services or communications may be authorized by the executive secretary of the CIE. Other investments are submitted to the whole committee for approval. Bureaucratic controls have now been reduced to a minimum, and investors are not guided into specific sectors that the government would particularly wish to be developed, but are free to choose where they place their investments.

Chile's legislation treats foreign investors on the same footing as their domestic counterparts, entitling them to apply for a number of concessions where these are available. The Mining Law, which became law in 1982, was specifically designed to attract substantial foreign investment into the mining sector, since this is one area where the government believes the country has the greatest comparative advantage. There is also no limit on the foreign share in an enterprise open to foreign investment.

Foreign exchange for dividend and capital remittances is available under the same conditions that apply to its purchase by local importers. Capital must remain within the country, however, for at least three years before it may be repatriated.

Since 1974, some 716 foreign investment projects have been approved by the Chilean Foreign Investment Committee authorizing total investments of U.S. $6.4 billion. To this date U.S. $1.3 billion have actually entered the country. In 1981, about 187 projects were approved, valued at U.S. $2.4 billion of which about U.S. $370 million were actually invested. Most of the foreign investment projects of significance to date (85 per cent of the U.S. $6.4 billion) have been in the mining industry. The most important investments by far came from the United States with a commitment of U.S. $3.2 billion; Canada with U.S. $608 million, Britain with U.S. $110 million, West Germany with U.S. $56 million, and Japan with U.S. $42 million are other investors of importance. During 1982, with the fall in copper prices and existing recessionary conditions in Chile, a large number of mining projects have been either postponed or cancelled. As a means of attracting foreign investors to Chile, an Investors Forum was held in Santiago in October 1982, and lists of projects open to outside investors in mining, agriculture, food processing plants, forestry industries, steel, etc. were mailed to industrially developed countries.

Purchasing Power

While still low by Canadian standards, the purchasing power of the average Chilean, because of the large, long established middle class, is considered to be one of the highest in Latin America. GDP per capita in 1981 stood at U.S.$2,160.00.

Consumer Price Index

	% Changes at annual rates	(1975 = 100)
December 1976 — December 1977	63.5	598.5
December 1977 — December 1978	30.3	838.4
December 1978 — December 1979	38.9	1,118.4
December 1979 — December 1980	31.2	1,511.4
December 1980 — December 1981	9.5	1,808.8

The present Chilean government has had a great measure of success in reducing inflation which was running at a rate in excess of 500 per cent when it assumed power. The authorities believe that low rates of inflation will allow the country's manufacturing sector to recover its competitiveness and attract significant foreign investment thus boosting growth and employment.

Foreign Trade

Chilean exports consist principally of mining products (63 per cent), industrial products (28 per cent) and agricultural and fishery products (9 per cent).

Preliminary figures of Chile's total exports show a decrease of 16 per cent in 1981 compared with the previous year (see following table). Exports of mineral products fell by 17 per cent in value (principally due to falling prices of copper) and those of processed materials by 18 per cent. Agricultural exports rose by 7.4 per cent. The export portfolio has suffered seriously from the general downturn among Chile's major trading partners, especially the United States, Japan, West Germany and Brazil.

Chile: Composition of Exports

(U.S. $'000,000)

	1979	1980	1981
		(Preliminary)	
Total exports, f.o.b.	3,835	4,705	3,960
Mining products	2,550	2,998	2,475
Copper	1,888	2,125	1,756
Nitrates and iodine	58	89	83
Iron ore	124	158	162
Molybdenum[1]	373	337	224
Gold	15	46	55
Silver	49	120	82
Other	43	123	113
Agricultural and fishery products	265	340	365
Crops	184	244	268
Livestock	38	37	29
Forestry	3	2	2
Fishery	40	57	66
Industrial products	1,020	1,367	1,120
Foodstuffs and beverages	301	397	343
of which: Fishmeal	(153)	(234)	(202)
Wood products	165	286	159
Paper and cellulose products	238	297	259
Chemicals and petroleum derivatives	128	163	135
Basic metals	82	88	70
Other	106	141	154

Sources: Central Bank of Chile, foreign sales offices at Codelco and Molymet.

[1] Includes exports of molybdenum oxide and ferro molybdenum.

Chile: Destination of Exports

(per cent)

	1979	1980	1981
United States	11.0	12.2	15.6
Japan	11.0	10.4	10.5
West Germany	15.9	12.3	8.9
Britain[1]	6.5	6.1	7.6
Brazil	10.2	9.3	7.3
Italy	5.5	5.6	5.4
Argentina	7.3	5.8	5.0
Canada	0.7	1.4	2.2
Others	31.9	36.9	37.5
Total	100.0	100.0	100.0

Source: Central Bank of Chile.

[1] Includes trade with Ireland.

With the increasing liberalization of import regulations and the general improvement in the economy up to 1981, there has been a commensurate rise in imports: 32.8 per cent in 1978, 40.5 per cent in 1979 and 38 per cent in 1980. The steepest rise in fuel imports occurred in 1979 when their value rose by nearly 85 per cent; by contrast the rise in 1980 was only 8 per cent as the volume imported fell from 29.9 million barrels of crude used. In the broad groupings presented in the table, the largest rise was in imports of consumer goods. Within this group, food imports rose at the fastest rate. Particularly high rises in 1980 occurred in the value of sugar and confectionary products which increased from U.S. $76 million to U.S. $327 million and cereals from U.S. $183 million to U.S. $315 million. Automobiles and home appliances were the most important items which increased in value among non-food consumer good imports due to greater availability of credit. Among capital goods imports, the greatest increase was in the import of transport equipment, aided to a large extent by the lowering of tariffs on trucks and vans. There were also increased imports of merchant ships, fishing vessels and aircraft in the transport equipment group. While machinery imports by the private sector rose by 27.2 per cent, those by the public sector only grew by 1.2 per cent showing how the latter sector is gradually decreasing its participation in the economy.

Chile: Composition of Imports, c.i.f.

(U.S. $'000,000)

	1979	1980	1981 (Preliminary)
Total imports	4,708	6,145	7,386
Foodstuffs	521	799	777
Other consumer goods	806	1,271	2,009
Intermediate goods	2,435	2,801	3,142
Petroleum	(884)	(822)	(670)
Capital goods	946	1,274	1,440

Source: Central Bank of Chile.

Chile: Origin of Imports

(per cent)

	1979	1980	1981[1]
United States	22.6	27.2	19.5
Japan	7.6	10.4	—
Brazil	8.6	8.2	5.5
West Germany	6.4	5.4	—
France	4.1	3.3	3.0
Spain	2.7	3.0	2.6
Canada	1.9	1.7	1.6
Others	46.1	40.8	—
Total	100.0	100.0	100.0

Source: Central Bank of Chile.

[1] Figures from partners' trade accounts.

Canada-Chile Trade

Canada's trade relationship with Chile has grown and broadened over the past several years to reach a total of $200 million per year.

In 1981, Canada's exports to Chile increased by 9 per cent to $115.4 million from $108.7 million in 1980. The most significant gain was in motor vehicles and parts which increased from $1.8 million to $9.9 million.

Other important Canadian exports included coal, $12 million; sulphur, $8.2 million; refined sugar, $5.4 million; zinc, $3.2 million; and asbestos, $3.0 million. Given the depressed economic situation, however, Canada's exports in the first seven months of 1982 reached only $45 million, a 33 per cent decrease from the same period in 1981.

Imports from Chile in 1981 were $110.5 million, roughly equivalent to Canadian exports. Imports increased by 16 per cent as compared to 1980. The January-September statistical figures for 1982 show total imports from Chile valued at $108 million. Principal imports during 1981 included metal ores and concentrates, $26 million; fresh grapes, $19.4 million; gold ores, $15.8 million; copper, $15.0 million; copper ores, $9.9 million; precious metals and ores, $4.4 million; apples and crab apples, $4.1 million.

Chile is a member of the Latin American Integration Association (ALADI), and grants concessions on an extensive list of goods to other member countries (Argentina, Bolivia, Brazil, Colombia, Ecuador and Mexico). Chile is also a member of the GATT.

Main Canadian Exports to Chile

(Cdn. $'000s)

	Jan.–Dec. 1980	Jan.–Dec. 1981	Jan.–Sept. 1982
Motor vehicles, engines, accessories, parts	12,217	20,387	2,602
Coal	7,829	12,930	4,832
Sulphur, crude or refined	6,357	8,203	5,424
Refined sugar, cane and beet	—	5,372	—
Wheat	12,331	—	5,225
Fabrics, man-made and natural	3,196	4,132	1,961
Asbestos milled fibres and shorts	3,123	3,543	1,237
Zinc blocks, pigs and slabs	4,034	3,188	1,135
Steel, fabricated materials	2,347	2,892	527

Commercial telecommunication equipment and parts	2,941	2,697	1,809
Polyethylene resins	1,509	2,536	1,298
Instant coffee and preparations	1	2,365	40
Aluminum fabricated materials	1,620	2,325	1,394
Potassium chloride muriate	3,644	2,277	2,268
Plastic and synthetic rubber fabricated materials	1,491	2,211	601
Excavating, dredging machinery, parts	809	2,056	3
Chewing gum	989	1,813	1,074
Fibres (man-made)	351	1,560	177
Molybdenum ores, concentrate, scrap	1,847	1,405	2,499
Card punch sort tab computers, parts	1,534	1,321	821
Shipping containers, boxes, cartons	1,878	1,133	3,633
Aircraft engines, assemblies, parts	8,702	842	1,289
Total main commodities	78,750	85,188	39,849
Total all commodities	108,695	115,445	55,407
Main as % of total	72.5	73.8	72.0

Source: Statistics Canada.

Main Canadian Imports from Chile

(Cdn. $'000s)

	Jan.-Dec. 1980	Jan.-Dec. 1981	Jan.-Sept. 1982
Metal ores, concentrates, scrap	54,271	26,046	23,271
Grapes, fresh	14,763	19,482	25,789
Gold ores, concentrates, scrap	5,409	15,886	183
Copper, refinery shapes	1,223	15,084	16,457
Copper ores, concentrates, scrap	5,877	9,942	10,038
Precious metals, ores, concentrates, scrap	586	4,427	10,191
Apples, crab apples	2,455	4,100	4,732
Ferro alloys	402	3,397	459
Sodium nitrate	1,402	1,757	645
Silver	—	1,679	3,098
Nectarines, fresh	1,063	1,179	1,579
Pears, fresh	817	1,043	1,675
Apple juice concentrate	1,212	318	3,091
Total main commodities	89,480	104,340	101,208
Total all commodities	95,382	110,560	108,948
Main as % of total	93.8	94.4	92.9

Source: Statistics Canada.

III. DOING BUSINESS IN CHILE

Opportunities for Canadian Products and Services

The decision of the Pinochet government early in its term of office to liberalize the bulk of its import trade and to attract foreign investment into the country has provided opportunities to a wide range of exporters both of capital and consumer goods.

Opportunities under the current six-year development plan (1979-1984) are most promising for the supply of machinery and equipment for mining, mineral exploration and offshore oil exploration. The provision of public sanitation, electricity generation and the development of telecommunications are other areas with good prospects for exporters. Additional possibilities exist for the sale of transport equipment, agricultural machinery, fishing and fish processing equipment, textile machinery and medical equipment. Opportunities are also available for investments or joint ventures, and there is a demand for technical expertise and know-how in sectors such as forestry, pulp and paper, aerial surveying, geophysical and architecture.

As a means of expanding exports of Canadian equipment and services, Canadian exporters are encouraged to contact Canada's Export Development Corporation (EDC) when negotiating with Chilean firms. Another form of assistance to Canadian businessmen is the Canada-Chile Businessmen's Committee, which was organized under the auspices of the Canadian Association for Latin America and Caribbean (CALA). This Committee was inaugurated in October 1978 in Chile with the objective of bringing about a greater awareness amongst businessmen of the commercial opportunities and capabilities that exist in both countries. The last meeting was held in Vancouver in September 1981.

Representation

The four principal types of import representation preferred in Chile are the import house, commission

agent, direct purchase and subsidiary or branch. The exporter should, if possible, make a personal visit to Chile for the selection of a suitable agent and for first hand observation of local conditions. Success in selling a product well, very often depends on the ability of the exporter to make friends with his agents and clients. The average Chilean businessman places a high value on good personal relations.

The commission agent is the most common type of representation. Particular care should be taken to insure that the selected agency has sufficient standing and financial resources to offer adequate representation and, if required, repair facilities. In most instances, agencies are far too busy to promote a new product effectively. Frequently, the best type of representation is offered by the agent who specializes in a small group of similar but non-competitive products.

Commissions and Prices

Local agents normally expect a commission that averages about 10 per cent of the f.o.b. value of sales. On large volume items such as agricultural products, raw materials and fertilizers, the commission may only be 2 or 3 per cent, and on products of small value but high profit margin, it can be 15 to 20 per cent or more. The earnings of a commission agent are subject to heavy double taxation; first, on the commission itself and later, on his total income.

Due to a prevailing low per capita income and limited purchasing power, Chile is an extremely price competitive market. Thus efforts to sell on a high-quality, high-price prestige basis rarely succeed, even if it can be demonstrated that the higher original cost can be offset by long-term savings. An exception is in sales made to larger mines and utilities; however, the cost-performance ratio must still be clearly proved usually to engineers and technical personnel by keeping records at field operations.

Language and Sales Strategy

Most Chilean firms engaged in foreign trade will accept letters in English. Some will reply in Spanish. High quality product literature, particularly technical material aimed at executive and engineering personnel, is also accepted in English.

On the other hand, for reasons possibly related to personal feelings of dignity, respect and importance, it is not uncommon for local executives to react somewhat coldly to visitors who make no attempt to speak Spanish, even if they themselves are conversant in English. An effort to speak the local language or to provide a gracious apology for failing to do so is therefore important.

Local executives also expect visiting businessmen to be top calibre (many successful Canadian and American exporters use vice-president titles quite liberally) or fully qualified, knowledgeable and experienced engineers or technical personnel. A well received indirect sales strategy is to present the visit as a medium for providing new technical data or updating previous knowledge, on an individual company or collective seminar basis.

Distribution Areas

Santiago is the principal distribution centre for Chile, having a population of about 4.3 million of Chile's estimated population of 11.3 million. Roughly three-fifths of the total population lives within a 160-km (100 mile) radius of the capital.

Representatives for many exporters who wish to sell in southern Chile live in Concepción, which is located in one of the fastest growing areas in Chile.

Chile has a relatively well developed railway and road network as well as many ports which permit access to all regions of the country.

Advertising and Promotion

Most Chilean advertising is placed through the press, radio or television. Commercial radio with numerous stations throughout the country is probably the best advertising medium (some 30 per cent of total advertising expenditure in Chile is devoted to radio). The Santiago radio stations reach an estimated 2 million Chileans.

There are also national newspapers, a number of trade magazines and other publications as well as an expanding television network. Movie theatres are also an efficient advertising medium since there are a large number of them throughout the country.

An International Trade Fair (FISA) is held annually in Santiago and provides opportunities for introducing Canadian machinery and other products to the Chilean industrial and agricultural markets.

Brochures and Samples

Correspondence and trade literature should ideally be written in Spanish with weights and measures in the metric system. Packages containing literature and weighing more than 450 g (1 lb) are generally routed through customs. This results in long delays (three months is not uncommon) and often in the payment of duties. Literature should be sent airmail in manila envelopes in weights of less than 450 g (1 lb).

Samples sent by parcel post are also subject to long delays and are frequently lost because the consignee has no documents to claim them. Registered airmail or air cargo, depending upon the size of the sample, is preferable. Air cargo is fast, safe and worth it even if the minimum rate must be paid for a relatively small sample. Air cargo provides the consignee with an airway bill for claiming a shipment, and airlines are invariably prompt to report arrivals.

Credit Information

The Commercial Division of the Canadian Embassy can order on request a detailed credit report on local Chilean companies. The cost will be billed to your company through the Department of External Affairs in Ottawa. In making your request be sure to stipulate whether you wish to receive the report in English, which costs double the normal rate. There are also extra charges for express service and for reports on firms outside Santiago.

Price Quotations

Quotations should be c.i.f. in U.S. dollars. The f.o.b. value should also be clearly shown on invoices. Some importers, especially in the public sector, request f.o.b. quotations with an informative estimate of post f.o.b. expenses with the intention of contracting the insurance and freight services.

Methods and Terms of Payment

All permissible imports exceeding U.S. $10,000 f.o.b. in value must be registered prior to shipment through a commercial bank with the Banco Central de Chile on an import report (informe de importación). Goods must be shipped within the valid period of registration which is 360 days.

The maximum permissible credit term for imports is 180 days from the date of the bill of lading under "cobertura corriente". If an importer receives a credit term of over 180 days and remits funds after 180 days but before 365 days, this is considered a "cobertura deferida" for which the importer has to pay a 20 per cent per annum interest penalty. Credit terms beyond 365 days require authorization by the Central Bank, but once this has been obtained no interest penalty is applied.

For imports valued up to U.S. $10,000 f.o.b., the goods can be shipped and payment arranged before the date of issue of the corresponding import report, but the length of time allowed for completing the operation is limited to 180 days.

The margin of tolerance in both the cost and volume of the goods shipped when compared to those indicated in the proforma invoice is 10 per cent with a maximum variation of U.S. $3,000.

Each import report can include only goods classified under the same chapter heading of the Brussels tariff nomenclature.

All the usual methods of payment are used but importers tend to seek as flexible terms as possible, preferring naturally to operate on a collection basis rather than to establish letters of credit. In the case of payments on collection terms, the importer must make a full deposit in pesos to his commercial bank at any time after the arrival of shipping documents. On receiving this deposit the bank will deliver the documents to the importer for the purpose of clearing the goods from customs. Once all documents are checked and customs clearance has been completed, the Central Bank will release the foreign currency to the importer. It is therefore in the exporters' interests to stipulate clearly on all invoices and shipping documents that a deposit in pesos should be obtained by the Chilean commercial bank in a specific number of days.

Debt Collection

The enforcement of claims by litigation is both long and costly but if shippers contemplate the possibility of legal proceedings, it is necessary to request the intervening bank to have unpaid bills of exchange protested by a notary public within the legal date, i.e. at the latest within the first working day following the due date. It is essential to protest the bill in order to preserve rights against endorsers. Claims based on the contract for the sale of goods where no protested bills can be produced are subject to long delays, and in practice legal proceedings in such cases should be avoided. Legal action concerning a protested draft may be taken within four years of the protest.

Patents and Trademarks

Manufacturers and traders are advised to patent their inventions and register their trademarks in Chile. Applications should be made through a patent or trademark agent either in Canada or in Chile.

Patents

Patents are granted for terms of 5, 10 or 15 years at the option of the applicant, but a patent granted in confirmation of a foreign patent is valid only for the unexpired term of that foreign patent. An application for a patent, other than a patent of confirmation, must be filed before the invention has become publicly known in any country as a result of being used, sold or described. An application for a patent of confirmation, however, can be filed at any time before the foreign patented invention has become commercially known in Chile. Every patented article or its wrapper must be clearly marked with the number and date of the patent, with the exception of methods or processes which, by their nature, cannot be marked.

Trademarks

The first applicant is entitled to registration and exclusive use of a trademark, but anyone able to prove that he has used the mark for at least one year prior to the application may oppose the registration. Registration lasts for 10 years and may be renewed for similar periods. Application for renewal must be made before the expiration of the previous period or not later than 30 days thereafter.

When registered trademarks are used in goods, in advertisements or in any kind of publication, they should be accompanied by the words "Marca registrada" or the abbreviation MR. Where the markings cannot be placed on goods themselves, it should appear on their wrappers or containers.

The registration of marks for chemical, medicinal, pharmaceutical and toilet preparations is compulsory.

Banking Facilities

Thirty-seven commercial banks dominate the financial sector. The state-owned Banco del Estado is Chile's most important. Numerous foreign banks also operate in Chile including Citibank, Chase Manhattan, Bank of Boston, Banco de Brazil, Banco de España, and Bank of Tokyo. No Canadian banks have local operations in Chile.

IV. CUSTOMS AND EXCHANGE REGULATIONS

Currency and Exchange Control

The basic monetary unit of Chile is the peso. Although the Chilean government was intent not to devalue the peso, the Minister of the Economy in a surprise move on June 14, 1982, announced an 18 per cent devaluation of the peso in relation to the U.S. dollar. The peso had been fixed at 39 to the U.S. dollar since July 1, 1979, but with devaluation the new rate of exchange became 46 pesos to the dollar. Again on August 5, 1982, the government opted for a more effective monetary policy and freed the peso in terms of foreign currencies. This lasted less than seven weeks, and on September 29, 1982, the freely floating peso was abandoned and the Central Bank fixed the peso at 66 pesos to the U.S. dollar. The currency is allowed to float within a narrow band of plus or minus 2 per cent. While it is still too early to determine the effectiveness of these measures, it is hoped that greater monetary liquidity and lower interest rates will hasten economic recovery.

Import Regulations

Since 1974, Chile has become one of the most liberal trading countries in South America. Customs tariffs on all merchandise imported into Chile have been reduced to a general rate of duty of 10 per cent ad valorem, with the exception of certain agricultural products and certain vehicles for passenger transport.

In general, all goods may be imported into Chile except products banned because they are considered offensive to public morality or in violation of sanitary regulations.

Import licences as such are not required. An import registration or import report (informe de importación), however, must be filed by the importer with Chilean Customs for statistical purposes. The importer obtains the import report through the intervening local

bank by producing the proforma invoice provided by the exporter. Exporters should not ship goods to Chile prior to having received a copy of the approved "informe de importación" or at least its number and date.

Free Trade Zones

Chile has free zones (zonas francas) at Iquique in the north of the country and Puntas Arenas in the south. Free trade zones generally allow processing operations such as assembly, finishing and manufacturing of imported materials which are imported duty free and exempt from the value-added tax. Any products taken out of these areas into the customs territory of Chile are subject to the applicable duty and taxes.

V. YOUR BUSINESS VISIT TO CHILE

Trade Customs

Business customs in Chile are similar to those in North America and Europe. Many Chilean businessmen are highly sophisticated, well travelled and educated individuals who keep closely abreast of international business and technological developments. They are generally friendly and interested in doing business with Canadians. In contacts with the Chilean businessman, the Canadian counterpart should pay strict attention to providing prompt airmail and telegraphic replies to letters. If possible, these replies should be in Spanish. Finally, private visits are warmly welcomed in Chile, especially since Chileans tend to look favourably on efforts by foreign businessmen to establish personal contacts.

Advise and Consult the Trade Commissioner

When planning your visit to Chile, advise the Commercial Division of the Canadian Embassy in Santiago well in advance of your arrival. Inform the Division of the purpose of your visit and forward several copies of product brochures. It is especially helpful if you work out the c.i.f. prices on your product range. You should also list any contacts you may already have in the Chilean business community. With this information at his disposal, the Trade Commissioner will be pleased to arrange a tentative itinerary, make hotel reservations if necessary, and set up appointments on your behalf which can be confirmed upon your arrival.

When to Go

March through November is the best time to visit. Christmas, Easter, and the National holidays of September 18 and 19 should be avoided. (See page 6 for more detail on Chilean and Canadian Embassy holidays.)

How to Get There

There is a weekly CP Air flight to and from Vancouver and Toronto, with only an interim stop in Lima. Other major international airlines offer direct service between Santiago and New York, Miami and Los Angeles. (See Section VI, Transportation Services between Canada and Chile.)

Internal Transportation

In Santiago, taxi and bus service is good and fares are reasonable. Taxis usually have meters; if not, the driver should state the fare in advance; a 50 per cent surcharge applies after 9:00 p.m. weekdays, on Saturday afternoons, Sundays and holidays. Santiago also has an underground transportation system very similar in appearance to that of Montreal. Scheduled air services, provided by LAN and Ladeco, are extensive and frequent within Chile; and charters can be arranged. Advance reservations are strongly recommended. Rail services enable travellers to complete the journey from Santiago to Valparaiso in three hours, to Concepción in seven hours and to Puerto Montt in 18 hours. Cars can also be rented and international driving licenses are accepted.

Hotels

There are a number of first class hotels in Santiago. The two most commonly used by Canadian businessmen are the Hotel Carrera and Hotel Holiday Inn Galferias (both are downtown, close to the Canadian Embassy, and within walking distance to most business appointments), the Holiday Inn Cordillera (older hotel downtown, approximately 12 blocks from the Canadian Embassy), and Hotel Sheraton San Cristobal, located approximately 5 km from downtown.

Passports

Any Canadian holding a valid passport may enter Chile. No visa is necessary. Persons travelling to Chile for recreation, studies, personal reasons and business are considered tourists. A tourist card, free of charge and valid for 90 days, is issued on arrival. An extension for an additional three months may be applied for. No photos are needed.

Climate

Santiago's climate is similar to that of Southern California. Summers (December to March) are dry and the humidity is low. The temperature averages 28°C in January. Winter (June - September) is cold and rainy with snow in the surrounding mountains. The temperature in July averages 10°C.

Regardless of season, sweaters and woolens are recommended. A topcoat or lined raincoat is useful in winter.

Health

The general level of community health is good in Santiago. There is an efficient sewage and garbage disposal system and no unusual pest or vermin problems exist. Tap water is safe to drink in the larger cities. Foods and beverages are generally safe. Caution and discretion should be exercised in the selection of restaurants and in eating raw fruits and vegetables.

VI. TRANSPORTATION SERVICES BETWEEN CANADA AND CHILE

Shipping Services From Eastern Canadian Ports

Compania Peruvana De Vapores (Peruvian State Line) schedules fortnightly services between Montréal in summer and Saint John in winter and Antofagasta, Valparaiso, Arica and Telcahuano. Space accommodation is available for refrigerated cargo, general cargo, bulk liquids and containers. The line is represented in Canada by Saguenay Shipping Ltd., with offices in Montréal, Toronto and Halifax.

Great Lakes Transcaribbean Line schedules monthly sailings from April to December between Thunder Bay, Hamilton, Valleyfield and Sarnia and Antofagasta, Valparaiso and San Antonio. Space accommodation is available for general cargo and containers. The line has heavy lift capability and plans to operate its service from Québec City during winter months beginning in December 1982. This carrier is represented in Canada by Protos Shipping with offices in Toronto and Montréal.

Shipping Services from Canadian Pacific Coast Ports

Delta Line schedules monthly sailings from Vancouver to Valparaiso and Antofagasta. Occasional calls are made at Coquimbo, Arica and Tocopilla. Space accommodation for general cargo, refrigerated cargo and containers is available. The line is represented in Canada by Montréal Shipping Company Limited, Vancouver, Montréal and Toronto.

Empressa Lineas Maritimes Argentinas (ELMA) schedules monthly sailings from Vancouver and New Westminster to Antofagasta and Valparaiso. Space accommodation for general cargo, refrigerated cargo and containers is available. The line is represented in western Canada by Transpacific Transportation Co.

Ltd., Vancouver, and in eastern Canada by Montréal Shipping Company Ltd., Montréal and Toronto.

Air Transportation

There is no bilateral air agreement between Canada and Chile. LAN Chile (Chilean Airlines) expressed some interest in possible bilateral talks in 1976, but it was not followed up by official government contact. No significant development is expected in the near future.

A special permit allows CP Air to serve Santiago with a once a week direct widebody flight from Vancouver (Friday) and Toronto (Sunday). Other points on the two CP Air routes include Lima (intermediate) and Buenos Aires (beyond). The one way economy fare is approximately $1,100.00.

Daily connecting flights are available via New York, Miami and Los Angeles. The originating carriers are Air Canada, CP Air, Eastern Airlines, Royal Air Maroc and Western Airlines. The terminating airlines are Pan American, Lloyd Aero Boliviano, Avianca, LAN Chile, Aerolineas Argentinas, KLM, British Caledonian, Iberia and Lufthansa.

Charter services for passengers and cargo traffic are available on an "as required" basis.

Shipping Documents

Documents required for commercial consignments to Chile, irrespective of value and mode of transport, are the commercial invoice (minimum four copies in Spanish), bill of lading (at least three copies) or airwaybills and the "import report" (import licence), which the importer obtains by submitting to the proper authorities an application supported by a proforma invoice. Except on request, the commercial invoice, the bill of lading or airwaybill do not require certification.

Additional Information

The Transportation Services Branch of the Department of Industry, Trade and Commerce and Regional Economic Expansion can provide additional information on transportation services offered between Canadian ports and Chile.

VII. FEDERAL EXPORT ASSISTANCE

Market Advisory Services

As a service to Canadian business, the federal government maintains Trade Commissioners in 67 countries around the world. These representatives provide assistance to the Canadian exporters and aid foreign buyers in locating Canadian sources of supply. In addition to serving as link between buyer and seller, the Trade Commissioner advises Canadian exporters on all phases of marketing, including the identification of export opportunities, assessment of market competition, introduction to foreign businessmen and government officials, screening and recommending agents, guidance on terms of payment and assistance with tariff or access problems. Trade Commissioners also play an active role in looking for suitable markets and encouraging promotional efforts.

An additional source of information is the group of Offices of Trade Development of the Department of External Affairs in Ottawa. Each of these offices concentrates on markets in specific geographical regions, in this case Latin America and the Caribbean. They are the major government link in Canada for the Trade Commissioners overseas. In the case of Chile, the Trade Commissioners in Santiago are in constant contact with their counterpart in the Office of Trade Development — Latin America and Caribbean, in Ottawa. (Address: Caribbean and Central America Division, Office of Trade Development — Latin America and Caribbean, Department of External Affairs, Ottawa, Ontario K1A 0H5, tel. (613) 996-5546, telex 053-3745). This office can provide the following type of general information:

- market information, including economic outlooks for individual countries and information on the market for particular products
- market access information on tariff rates, regulations, licensing, no-tariff barriers, product standards, required documents, etc.
- publications, including editions of this publication, *Guides for Canadian Exporters*, and country

briefs on smaller markets.

The Offices of Trade Development are also responsible for assisting and advising exporters on marketing of their products and services and on informing businessmen about export services provided by the Canadian government and about export opportunities as they arise.

If your company requires assistance in identifying overseas markets for your products, contact your nearest Regional Office of the Department of Industry, Trade and Commerce and Regional Economic Expansion (ITC-DREE). Their addresses are listed on page 47. These offices, located in each province, assist exporters with market planning and can arrange for consultations with both the relevant Office of Trade Development in Ottawa and the Trade Commissioners abroad.

Export Development Corporation

The Export Development Corporation (EDC) is a Canadian Crown Corporation whose purpose is to facilitate and develop Canada's export trade.

EDC provides insurance, guarantees and export financing, offers financial advice and organizes financial packages to facilitate the sale of Canadian goods and services by increasing their competitiveness on world markets.

The Corporation offers the following services:

Export insurance and related guarantees

— global comprehensive insurance
— global political insurance
— selective political insurance
— specific transaction insurance
— specific transaction guarantees
— loan pre-disbursement insurance
— foreign investment insurance
— performance security insurance
— performance security guarantees
— consortium insurance
— surety bond insurance
— bid security guarantees.

Export financing and related guarantees

— loans
— multiple disbursement agreements
— line of credit allocations
— note purchases
— forfaiting
— loan guarantees.

EDC has its head office in Ottawa (P.O. Box 655, 110 O'Connor Street, Ottawa, Ontario, K1P 5T9, tel. (613) 237-2570, telex 053-4136). Regional offices are maintained in Montréal, Toronto, Vancouver and Halifax. General enquiries and export insurance services are handled by these regional offices. Enquiries about export financing for a specific geographical area should be addressed to the manager of the appropriate department in the Export Financing Group, in Ottawa.

Program for Export Market Development

The Program for Export Market Development (PEMD) is designed to assist individual firms in their particular marketing endeavours. Financial assistance is available to companies who apply for it. The government contribution is repayable to the extent that the PEMD-supported activity generated export sales. The following export activities qualify for PEMD funding:

— precontractual and bidding costs for specific capital projects (PEMD A)
— travel and related costs in market identification and market adjustment (PEMD B)
— costs of individual participation in foreign trade fairs (PEMD C)
— specified costs of bringing foreign buyers to Canada (PEMD D)
— costs associated with forming and operating an export consortium (PEMD E)
— costs associated with sustained market development (PEMD F)
— support for export market development for agriculture, food and fisheries products (PEMD FOOD).

Applications should be submitted to ITC-DREE regional offices in the province in which the applicant firm is registered.

Trade Fairs and Missions

To further assist Canadian exporters in developing business in foreign markets, the Trade Fairs and Missions Division of the Office of Trade Development — Latin America and Caribbean, Department of External Affairs, Ottawa, organizes and implements the following trade promotion programs:

- participation in trade fairs abroad
- trade missions to and from Canada
- in-store promotions and point-of-sale displays
- export-oriented technical training for buyers' representatives.

The yearly Fairs and Missions Program for the region is put together based on suggestions by the Trade Commissioner in the field and the Trade Development Office in Ottawa in discussion with the industry sector specialists of ITC-DREE.

For further information, write to:

Director
Trade Fairs and Missions Division
Office of Trade Development —
Latin America and Caribbean
Department of External Affairs
Ottawa, Ontario K1A 0H5
Tel: (613) 996-5357
Telex: 053-4124

Publicity

Canada Commerce (English) and *Commerce Canada* (French) are published monthly and contain a variety of articles and reports on export opportunities, government services to industry, international market conditions and terms of access, industrial development, and joint industry-government efficiency studies. Both publications are available without charge to Canadian manufacturers from The Public Information Directorate, Department of Industry, Trade and Commerce and Regional Economic Expansion, Ottawa, Ontario, K1A 0H5.

Bimonthly issues of *Canada Commerce* outline fairs and missions which are organized worldwide by the Department of External Affairs under its Fairs and Missions Programs. Similarly, alternate editions list multilaterally-funded capital projects overseas which

offer good export opportunities for Canadian suppliers of goods and services.

Industrial Co-operation with Developing Countries

The Canadian International Development Agency (CIDA) supports the involvement of Canadians in investment projects in developing countries through its Industrial Co-operation Program. Under this program, CIDA offers the following services:

For Canadian companies wishing to investigate industrial co-operation opportunities in developing countries:

- funding for travel, profitability and risk analyses, product and technology testing
- funding for project preparation studies as a lead-in to large capital projects
- funding for demonstration and test projects as a lead-in to technology transfer
- leads and information on opportunities, and on local conditions and business practice
- assistance in locating qualified Canadians to work abroad
- specialized training of local employees
- professional services to cope with special situations, such as complex tax or legal problems
- investment missions to developing countries.

For developing countries seeking Canadian private sector participation in their economic development:

- investment-seeking missions to Canada
- information on Canadian technology and expertise
- trade facilitation
- business training in Canada and in home country
- linkages between Canadian and local business and manufacturing organizations
- public sector institution building in cooperation with Canadian counterpart institutions
- technical assistance to businesses requiring short term experts
- long term credits for the use of Canadian consultants or experts to assist in delineating industrial development priorities, promoting and managing exports, and providing direct, continuing expert advice to all segments of the economy,

private and public.

For further information, write to:

Industrial Co-operation Division
Canadian International Development Agency
200, promenade du Portage
Hull (Québec)
K1A 0G4

Tel: (819) 997-7901
Telex: 053-4140 CIDA/SEL

VIII. USEFUL ADDRESSES

Canadian Offices (in Chile)

Commercial Division
Canadian Embassy
Ahumada 11, 10th Floor (Street Address)
Casilla 771 (Mailing Address)
Santiago, Chile

Cable: DOMCAN SANTIAGO DE CHILE
Telex: (Destination Code 34) 3490068 (0068 DOMCAN C)
Tel: 64189/62256

Hours: Monday to Friday 8:30 a.m. to 12:30 p.m., 1:15 to 5:00 p.m.

During the period December through March, the Embassy closes at 12:30 p.m. on Friday.

(In Canada)

South America Division
Office of Trade Development — Latin America and Caribbean
Department of External Affairs
Ottawa, Ontario K1A 0H5

Tel: (613) 996-5546
Telex: 053-3745

Trade Fairs and Missions Division
Office of Trade Development — Latin America and Caribbean
Department of External Affairs
Ottawa, Ontario K1A 0H5

Tel: (613) 996-5546
Telex: 053-2745

Canadian Association for Latin America and Caribbean (CALA)
42 Charles Street East
8th Floor
Toronto, Ontario M4Y 1T4

Tel: (416) 964-6068
Telex: 065-24034

Chilean Offices In Canada

Commercial Section
Embassy of Chile
Suite 801
56 Sparks Street
Ottawa, Ontario K1P 5A9

Tel: (613) 235-4402 and 235-9940

Consulate General of Chile
1010, rue Sainte-Catherine ouest
Pièce 731
Montréal (Québec)
H3B 1E7

Tel: (514) 861-8006

Honorary Consulate of Chile
Suite 1303
330 Bay Street
Toronto, Ontario
M5H 2S8
Tel: (416) 366-9570

Honorary Consulate General of Chile
305-1124 Lonsdale Avenue
North Vancouver, British Columbia V7M 2H1
Tel: (604) 985-6211

Export Development Corporation

Head Office
Export Development Corporation
110 O'Connor Street
Ottawa, Ontario
Mailing address:
P.O. Box 655
Ottawa, Ontario
K1P 5T9

Tel: (613) 237-2570
Cable: EXCREDCORP
Telex: 053-4146
Facsimile: (613) 237-2690

Vancouver
Export Development Corporation
Suite 1030,
One Bentall Centre
505 Burrard Street
Vancouver
British Columbia
V7X 1M5

Tel: (604) 688-8658
Telex: 04-54223
Facsimile: (604) 688-3710

Montréal
Export Development Corporation
Suite 2724,
800, place Victoria
C.P. 124
Tour de la Bourse
Montréal (Québec)
H4Z 1C3

Tel: (514) 878-1881
Telex: 05-25618
Facsimile: (514) 876-2840

Toronto
Export Development Corporation
Suite 810,
National Bank Building
P.O. Box 810,
150 York Street
Toronto, Ontario
M5H 3S5

Tel: (416) 364-0135
Telex: 06-22166
Facsimile: (416) 360-8443

Halifax

Export Development
Corporation
Suite 1401
Toronto-Dominion Bank
Building
1791 Barrington Street
Halifax, Nova Scotia
B3J 3L1

Tel: (902) 429-0426
Telex: 019-21502

REGIONAL OFFICES

If you have not previously marketed abroad, contact the nearest Regional Office of the Department of Industry, Trade and Commerce and Regional Economic Expansion in your area.

Newfoundland and Labrador
P.O. Box 8950
90 O'Leary Avenue
St. John's, Newfoundland
A1B 3R9
Tel: (709) 737-5511
Telex: 016-4749

Nova Scotia
Duke Tower, Suite 1124
5251 Duke Street
Scotia Square
Halifax, Nova Scotia
B3J 1P3
Tel: (902) 426-7540
Telex: 019-21829

New Brunswick
590 Brunswick Street
Fredericton
New Brunswick
E3B 5A6
Tel: (506) 452-3190
Telex: 014-46140

Prince Edward Island
P.O. Box 2289
Dominion Building
97 Queen Street
Charlottetown, Prince Edward Island
C1A 8C1
Tel: (902) 892-1211
Telex: 014-44129

Québec
Case postale 247
800, Place Victoria, 37e étage
Montréal (Québec)
H4Z 1E8
Tel: (514) 283-6254
Telex: 012-0280

220, avenue Grande-Allée est
Pièce 820
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Telex: 051-3312

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Tel: (416) 365-3737
Telex: 065-24378

Manitoba
785 Carlton Street, 4th Floor
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 949-2381
Telex: 075-7624

Saskatchewan
1955 Smith Street
Room 400
Regina, Saskatchewan
S4P 2N8
Tel: (306) 359-5020
Telex: 071-2745

Alberta and Northwest Territories
Cornerpoint Building
Suite 505
10179-105th Street
Edmonton, Alberta
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Telex: 037-2762

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Bentall Centre, Tower III
Suite 2743
595 Burrard Street
Vancouver
British Columbia
V7X 1K8
Tel: (604) 666-1434
Telex: 04-51191

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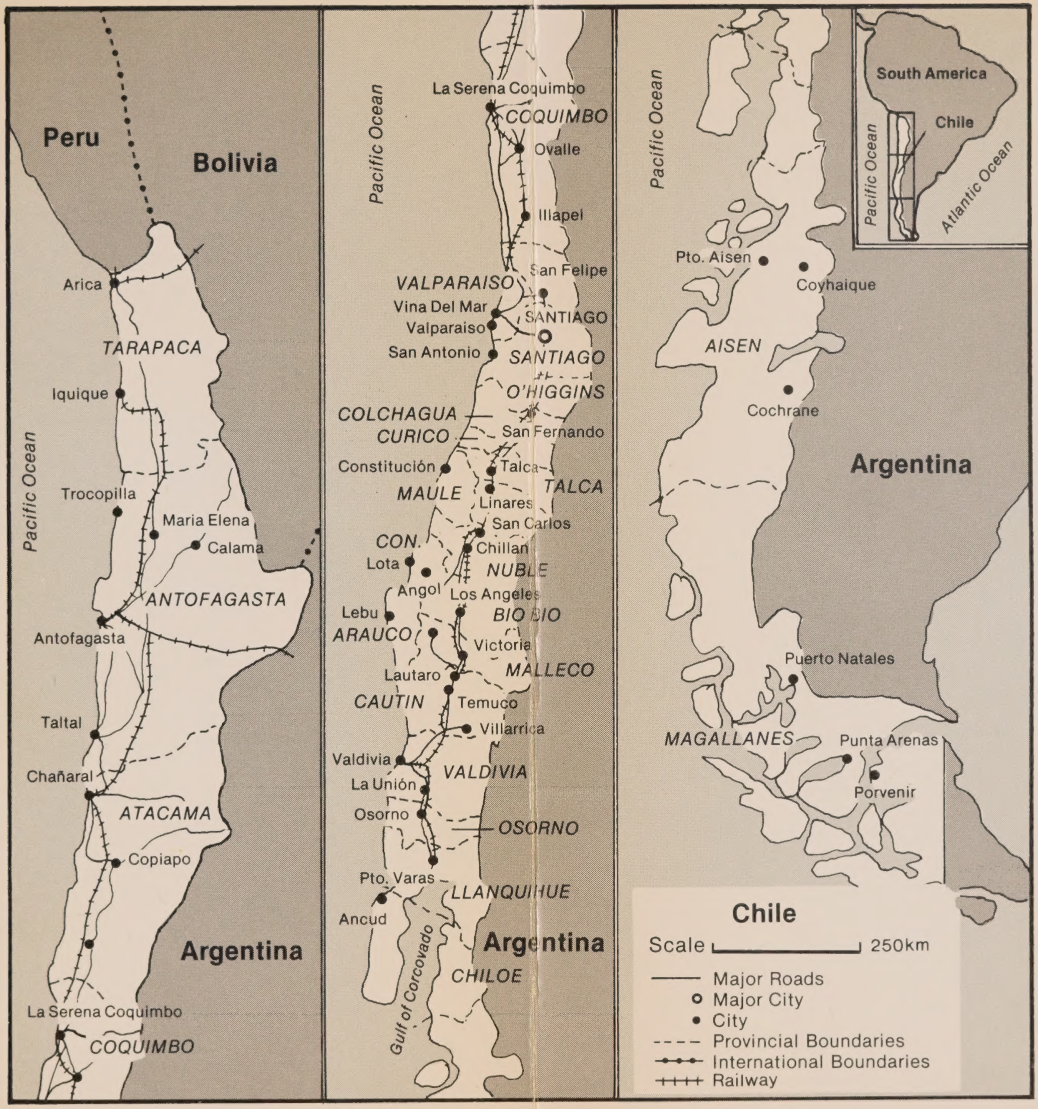
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Maria Elena
Calama
ANTOFAGASTA
Antofagasta
Taltal
Chañaral
ATACAMA
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O'HIGGINS
COLCHAGUA
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Argentina
Gulf of Corcovado
CHILOE
Pacific Ocean
South America
Chile
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Atlantic Ocean
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